



*Connecticut Chapter
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Martin Mador, Legislative Chair

Planning and Development Committee
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Testimony In Favor of
SB 495 AAC the Provision of Services by Regional Councils of Government
SB 64 AAC Alternatives to Property Tax
HB 5782 AAC the Hotel Tax
HB 6100 AAC Regional Property Tax Revenue Sharing
HB 5332 AA Requiring Municipalities That Regionalize to Provide Property Tax Relief
HB 5928 AA Authorizing Regional Assets Investments
HB 6412 AAC the Small Town Economic Assistance Program
SB 64 AAC Alternatives to Property Tax
SB 894 AAC the Consolidation of non Educational Services
SB 507 AAC Municipal Liability for Activities on Recreational Facilities

I am Martin Mador, 130 Highland Ave., Hamden, CT 06518. I am the volunteer Legislative Chair for the Sierra Club-Connecticut Chapter, a director of Rivers Alliance and the Quinnipiac River Watershed Assn, and serve on the 1000 Friends Advisory Board. I hold a Masters of Environmental Management degree from the Yale School of Forestry and Environmental Studies.

SB 507

Restoration of municipal liability protection for no-fee use of open space is a very high priority. Towns and political subdivisions of the state such as MDC have closed open space in the past for fear of liability, and may do so in the future. We sincerely thank the Democratic and Republican members of the Waterbury delegation for introducing SB 507, and ask that the committee consider this bill in conjunction with others heard previously.

When I testified on HB5780-Interlocal Agreements on Feb. 18, I said:

The Sierra Club recognizes that atomization of Connecticut government into 169 independent children of the state, while useful in giving people a strong sense of home and place, causes a torrent of significant environmental and economic problems. It is our position that fostering municipal cooperation and regional governance is a necessary step for the well-being and future viability of our state, as well as our high environmental quality of life.

More specifically, we need:

- COGs recognized as the appropriate and preferable path to regionalism
- incentives for RPAs and CEOs to convert to the COG format
- financial incentives for towns to work with their COG

- state funding delivered to the towns through their COG
- service delivery through the COGs
- enabling legislation as necessary to accomplish all of this

I refer you again to the position paper I co-authored, *Regions as Partners*, Dec. 20, 2010.

The bills I will comment on today are mostly enabling bills. For the most part, they are good, necessary, legislation. Now what about the incentives? The flow of funding through the COGs? The re-positioning of delivery of local and state services?

SB 495 enables COGs to become providers of regional services. It appropriately authorizes COGs, as opposed to RPOs, and implements appropriately the recommendations we made in *Regions as Partners*.

SB 496 copies a tax-sharing system which has worked well in Minnesota, which, by the way, has counties. It would significantly reduce municipal competition to grow grand lists, which would then free towns from making environmentally destructive land use decisions. However, we suggest such cooperative systems should be implemented through the COGs.

HB 5782 implements the hotel tax sharing proposal which came from the MORE Commission Subcommittee on Revenue Streams and Economic Development. I was privileged to participate on that subcommittee. The bill as written, however, would favor some towns at the expense of others.

We suggest amending it so that all revenue collected be sent through the COG in which the hotel is located for distribution to member towns, as the COG governing mayors see fit. As an incentive to RPAs and CEOs to convert, funds would go to the state if there were no COG in place.

HB 6100 provides for revenue sharing within an Economic Development District. This would provide yet another opportunity to reduce municipal competition. I believe only one EDD has been established, with two in development. The EDDs have federal involvement, so have a rationale beyond state-directed regionalism, but we advise that COGs are the best place to do this.

HB 5332 would provide a mechanism to show the both the public and town officials the economic value of municipal cooperation. This would be valuable in itself. However, we are troubled by the \$10M floor. Given the relatively few such agreements existing, this would exclude most towns. The bill provides for tax credits for only one group of taxpayers. We are concerned about this limitation, and about how the language of the bill could actually be implemented. As an alternative, perhaps every tax bill should itemize the savings to that taxpayer specifically resulting from the interlocal agreements. Because the savings will reduce the municipal budget, the savings to the taxpayer are essentially built-in. We point out that the bill certainly promotes the value of municipal cooperation, but does not go to decreasing reliance on property taxes.

HB 5928, which would finally authorize regional asset sharing, is an important step in a move towards regionalization. However, it includes CEOs as well as COGs. We must incentivize

CEOs to become COGs, so CEOs should be dropped from the bill. Otherwise, we have only high praise for this important bill.

HB 6412 authorizes STEAP grants to groups of towns. This would promote regional projects and cooperation, so we endorse the bill. However, once again, we feel such arrangements should always go through the COGs.

SB 64 supports creation of alternative funding mechanisms for towns. We see reliance on property taxes one of the prime reasons for the destructive land use decisions we make, such as suburban sprawl and destruction of greenfields. A host of funding mechanisms, such as allocation of sales taxes, need to be crafted.

The bill recognizes that taxpayers will want reassurance that creation of additional taxes will be offset by reduction in property taxes. Unfortunately, the current crisis demands increasing revenue across the state, so this part of the bill, important as it is, would come at a very inopportune time.

SB 894 raises the issue of consolidation of services. However, the context of this bill is very narrow. We suggest broadening it to encompass multi-district consolidations, and to functions found both in educational and municipal services.

The Sierra Club thanks the Committee both for the public hearing on these worthy bills, and for the opportunity to once again to provide a short, but important, cheerleading sermon on regionalism.

